



STATE OF GEORGIA

OFFICE OF THE GOVERNOR

Sonny Perdue
GOVERNOR

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State Tax-Free Holiday Set for August 3-6

School Teachers Able to Use \$100 Gift Cards to Purchase Classroom Supplies

ATLANTA – Governor Sonny Perdue announced today that Georgia teachers will be able to use their \$100 gift cards during the state's tax free holiday. The 2006 tax-free holiday begins at 12:01 a.m., Thursday, August 3 and continues until midnight, Sunday, August 6. It combines last year's two tax-free shopping periods into one four-day period.

"By using the \$100 gift cards during this tax-free holiday, teachers will be able to purchase additional supplies to help their students succeed in the classroom," said Governor Sonny Perdue. "Teachers often spend money out of their own pockets to buy classroom supplies. These gift cards are another tool to help our teachers with the important work they do on a daily basis."

Georgia's single tax-free shopping holiday will include schools supplies, clothing items, computers, computer accessories and certain Energy Star merchandise. All qualified items are exempt from both state and local sales tax during the four-day period.

School supplies bought for classroom use or classroom related activities are exempt if they cost \$20 or less per item. Included in this area are pens, pencils, notebooks, paper, book bags, calculators, dictionaries, thesauruses, children's books and books listed on approved school reading lists for pre-kindergarten through 12th grade. Sales tax will be due on the purchase of any single school supply item that exceeds \$20.

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Clothing and footwear are exempt up to \$100 per item, but there is no limit on how many pairs of shoes and clothing items an individual may buy. If the price of an article of clothing or pair of shoes exceeds \$100, then the item will be taxed at its full retail price. Clothing accessories, jewelry, handbags, umbrellas, eyewear, watches, watchbands and similar items are not exempt from sales tax during the tax-free period.

Purchases of personal computers and accessories are exempt up to \$1,500 per transaction. If the purchase exceeds \$1,500, the entire purchase price is taxable. Items included in the personal computer exemption category include monitors, personal computer base units, keyboards, handheld computers, monitors, printers, modems, nonrecreational software and other peripheral devices.

Personal digital assistants are exempt unless they allow voice communication. Other items that are not exempt include cell phones, digital cameras, furniture and any systems, devices, software or peripherals designed or intended primarily for recreational use.

Energy Star qualified merchandise includes windows, doors, dishwashers, clothes washers, air conditioners, ceiling fans, fluorescent light bulbs, dehumidifiers, programmable thermostats and refrigerators. The purchase of any exempted item can not exceed \$1,500. If the purchase price of an exempted item exceeds \$1,500, the entire purchase price of the item is taxable.

The sales tax exemption on all qualified merchandise is intended only for individuals and their personal use. It does not apply to purchases made for resale, purchases by businesses, items leased or rented or items sold at sports facilities, theme parks, restaurants, public lodging establishments or airports.

Additional information and a comprehensive list of exempt items are available at any of the Department of Revenue's regional offices or on the department's Web site at www.dor.ga.gov. Individuals can also get information by calling (404) 417-6601 or via email at taxpayer.services@dor.ga.gov.

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